

## Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 SP-02 AID-05 EB-07 NSC-05 CIEP-01

TRSE-00 SS-15 STR-04 OMB-01 CEA-01 L-03 H-02 CIAE-00

INR-07 NSAE-00 COME-00 OPIC-03 INT-05 /072 W

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R 061347Z SEP 76

FM AMEMBASSY KINGSTON

TO SECSTATE WASHDC 2272

C O N F I D E N T I A L KINGSTON 3729

E.O. 11652: GDS

TAGS: EMIN, PFOR, JM

SUBJECT: BAUXITE NEGOTIATIONS

### 1. IN CONVERSATION

WITH MANLEY SEPTEMBER 3 I RAISED QUESTION OF CURRENT BAUXITE NEGOTIATIONS. I STRESSED TO MANLEY THAT FAILURE TO REACH SATISFACTORY AGREEMENTS WITH ALUMINUM COMPANIES HAS BECOME A DISPROPORTIONATE STUMBLING BLOCK IN OUR RELATIONS. MANLEY AGREED BUT SAID THAT THE PROBLEM WAS WELL ON ITS WAY TO SOLUTION. HE SAID HE IS DETERMINED TO PUSH THROUGH THE BAUXITE AGREEMENTS IN THE NEAR FUTURE. HE SAID AGREEMENT WITH KAISER IS VIRTUALLY COMPLETED, THE ONLY PROBLEM BEING THAT KAISER HAS BEEN "NAUGHTY" ABOUT DEPRECIATION. NEVERTHELESS, MANLEY SAID HE EXPECTS FINAL AGREEMENT IMMINENTLY AND THAT MATALON AND ROUSSEAU (BAUXITE COMMISSION) MAY TRAVEL TO OAKLAND TO SIGN AFTER HIS (MANLEY'S) VISIT TO MEXICO SEPTEMBER 12 WITH MATALON AND ROUSSEAU.

2. WITH RESPECT TO ALCOA, MANLEY WAS OF THE OPINION THAT AN AGREEMENT COULD BE SIGNED NEXT WEEK. (IN A LUNCH WITH THE ALCOA MANAGER PAUL CROUCH, CROUCH ALSO SAID HE EXPECTED AGREEMENT, ALTHOUGH HE THOUGHT IT WOULD NOT BE UNTIL MID-OCTOBER.)

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3. MANLEY SAID AN AGREEMENT WITH ALCAN FACES

ONLY ONE PROBLEM AND THAT NOT OF MAJOR SUBSTANCE.  
HE SAID HE EXPECTS TO HAVE IT RESOLVED SHORTLY;  
HE POINTED TO THE FACT THAT HE WOULD BE GOING TO  
CANADA IN OCTOBER, HINTING HE MIGHT SIGN AN AGREE-  
MENT AT THAT TIME.

4. MANLEY SAID HE EXPECTS AN AGREEMENT WITH  
REYNOLDS TO BE REACHED SHORTLY AFTER THE KAISER  
AGREEMENT.

5. MANLEY ASKED MY VIEWS ON THE SITUATION WITH  
REVERE WHICH HE DESCRIBES AS BEING SEPARATE FROM  
THE OTHER NEGOTIATIONS. I GAVE HIM OUR CURRENT  
ASSESSMENT THAT REVERE COULD  
PURSUE ITS CASE IN  
THE JAMAICAN COURTS AND WITH THE GOJ IN AN EFFORT  
TO EXTRACT WHAT IT CAN, AND THEN APPEAL TO  
OPIC FOR ANY DIFFERENCE BETWEEN ANY JAMAICAN  
FUNDS SECURED AND REVERE'S OPIC COVERAGE. I  
EXPRESSED MY CONCERN AND HOPE THERE MIGHT BE  
SOME MOVEMENT TOWARD A SETTLEMENT EVEN BEFORE  
THE CONCLUSION OF A LAW SUIT. MANLEY NODDED  
NOTING THAT "REVERE IS UNLIKELY TO WIN ITS  
CASE" IN A JAMAICAN COURT.

6. WITH RESPECT TO ALPART, MANLEY EXPRESSED  
THE VIEW THAT, BECAUSE ALPART HAS NO DIRECT MINING  
INTEREST IN JAMAICA, IT WAS A "DIFFERENT SITUA-  
TION" AND HE HAD DOUBTS THAT THE GOVERNMENT WOULD  
"GET TO IT THIS YEAR". HOWEVER, HE FELT THIS SHOULD  
PRESENT NO PROBLEM.

7. MANLEY STRESSED THAT HE NOW WAS ANXIOUS TO HAVE THESE  
AGREEMENTS OUT OF THE WAY AND WAS PRESSING FOR THEIR CONCLUSION.

8. COMMENT: ON THE BASIS OF THE PM'S REMARKS  
AND OTHER CONVERSATIONS WITH ALUMINUM COMPANY  
REPRESENTATIVES OVER THE LAST FEW DAYS, IT APPEARS  
THAT SUBSTANTIAL PROGRESS HAS BEEN MADE TOWARD  
RESOLUTION OF OUTSTANDING BAUXITE QUESTIONS. ALTHOUGH, AS  
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IN THE PAST, VARIOUS DEVELOPMENTS COULD UPSET NEGOTIATIONS  
AND PRESENT TIMETABLES MAY NOT HOLD, WE SEEM NEARER TO FINAL  
DOCUMENTS NOW THAT WE HAVE BEEN AT ANY TIME IN THE LAST TWO  
YEARS.  
GERARD

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## Message Attributes

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